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SENATE BILL 935

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Cynthia Nava

AN ACT

**RELATING TO PUBLIC FINANCE; AUTHORIZING THE NEW MEXICO FINANCE
AUTHORITY TO ISSUE CERTAIN ADDITIONAL REVENUE BONDS FOR THE
UNIVERSITY OF NEW MEXICO HOSPITAL AND THE CANCER RESEARCH AND
TREATMENT CENTER AT THE UNIVERSITY OF NEW MEXICO HEALTH
SCIENCES CENTER; MAKING AN APPROPRIATION.**

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**Section 1. Section 6-21-6.7 NMSA 1978 (being Laws 2003,
Chapter 341, Section 5) is amended to read:**

**"6-21-6.7. CREDIT ENHANCEMENT ACCOUNT CREATED-- USE OF
ACCOUNT-- RELEASE OF MONEY TO THE GENERAL FUND. --**

**A. The credit enhancement account is created as a
separate account within the authority for use only as provided
in this section.**

**B. All cigarette tax proceeds distributed each
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1 month to the authority pursuant to Subsection G of Section
2 7-1-6.11 NMSA 1978 shall be deposited in the credit enhancement
3 account.

4 C. Amounts deposited in the credit enhancement
5 account may be pledged irrevocably as additional security for
6 the payment of the principal, interest, premiums and expenses
7 on bonds issued by the authority for:

8 (1) designing, constructing, equipping and
9 furnishing additions and improvements to the university of New
10 Mexico hospital and the cancer research and treatment center at
11 the university of New Mexico health sciences center; and

12 (2) improvements to department of health
13 facilities.

14 D. The authority shall determine monthly upon
15 receipt of cigarette tax proceeds if the individual amounts of
16 cigarette tax proceeds distributed pursuant to Subsection D, if
17 applicable, and Subsection E or Subsection F, respectively, of
18 Section 7-1-6.11 NMSA 1978 are sufficient to meet the monthly
19 amount required for immediate payment or designation for
20 payment of principal, interest, premiums and expenses on bonds
21 additionally secured by the credit enhancement account. Any
22 insufficient amount shall be paid immediately from the credit
23 enhancement account. A payment from the credit enhancement
24 account shall be reimbursed in succeeding months from the
25 individual amount of cigarette tax proceeds distributed

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1 pursuant to Subsection D, Subsection E or Subsection F, as
2 applicable, of Section 7-1-6.11 NMSA 1978 in excess of the
3 amount required for immediate payment or designation for
4 payment of principal, interest, premiums and expenses on bonds.
5 All money in the credit enhancement account in excess of the
6 monthly amount required for immediate payment or designation
7 for payment of principal, interest, premiums and expenses on
8 bonds shall be transferred monthly by the authority to the
9 general fund.

10 E. Upon payment of all principal, interest,
11 premiums and expenses on bonds additionally secured by a pledge
12 of amounts deposited in the credit enhancement account, the
13 authority shall certify to the secretary of taxation and
14 revenue that all obligations for bonds have been fully
15 discharged and shall direct the secretary of taxation and
16 revenue and the state treasurer to cease distributing cigarette
17 tax proceeds to the authority pursuant to Subsection G of
18 Section 7-1-6.11 NMSA 1978 and to distribute those cigarette
19 tax proceeds to the general fund.

20 F. Any law authorizing the imposition, collection
21 or distribution of the cigarette tax or that affects the
22 cigarette tax shall not be amended, repealed or otherwise
23 directly or indirectly modified so as to impair any outstanding
24 revenue bonds that may be secured by a pledge of those
25 cigarette tax proceeds distributed to the credit enhancement

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1 account, unless the revenue bonds have been discharged in full
2 or provisions have been made for a full discharge. "

3 Section 2. Laws 2003, Chapter 341, Section 3 is amended
4 to read:

5 "Section 3. NEW MEXICO FINANCE AUTHORITY REVENUE
6 BONDS-- PURPOSE-- APPROPRIATION. --

7 A. The New Mexico finance authority may issue and
8 sell revenue bonds in compliance with the New Mexico Finance
9 Authority Act for a term not exceeding fifteen years in an
10 amount not exceeding sixty million dollars (\$60,000,000) for
11 the purpose of designing, constructing, equipping and
12 furnishing additions and improvements to the university of New
13 Mexico hospital and the cancer research and treatment center at
14 the university of New Mexico health sciences center.

15 B. Except as provided in Subsection I of this
16 section, the New Mexico finance authority may issue and sell
17 additional revenue bonds in compliance with the New Mexico
18 Finance Authority Act for a term not exceeding fifteen years in
19 an amount not exceeding ten million dollars (\$10,000,000) for
20 the purpose of supplementing the proceeds of the bonds issued
21 pursuant to Subsection A of this section to design, construct,
22 equip and furnish additions and improvements to the university
23 of New Mexico hospital and the cancer research and treatment
24 center at the university of New Mexico health sciences center.

25 [~~B.~~] C. The New Mexico finance authority may issue

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1 and sell revenue bonds authorized by this section when the vice
2 president for health sciences of the university of New Mexico
3 certifies the need for issuance of the bonds. The net proceeds
4 from the sale of the bonds are appropriated to the health
5 sciences center of the university of New Mexico for the
6 purposes described in Subsection A of this section.

7 ~~[C.]~~ D. Except as provided in Subsection I of this
8 section, the cigarette tax proceeds distributed to the New
9 Mexico finance authority pursuant to ~~[Subsection]~~ Subsections D
10 and E of Section 7-1-6.11 NMSA 1978 shall be pledged
11 irrevocably for the payment of the principal, interest,
12 premiums and related expenses on the bonds and for payment of
13 the expenses incurred by the authority related to the issuance,
14 sale and administration of the bonds.

15 ~~[D.]~~ E. The cigarette tax proceeds distributed to
16 the New Mexico finance authority pursuant to Subsection E of
17 Section 7-1-6.11 NMSA 1978 shall be deposited each month in a
18 separate fund or account of the authority. If the money in the
19 separate fund or account, [in excess of] when added, if
20 applicable, to the distribution made pursuant to Subsection D
21 of Section 7-1-6.11 NMSA 1978, is greater than the monthly
22 amount necessary for immediate payment or designation for
23 payment of principal and interest due on the bonds, the excess
24 is appropriated to the university of New Mexico health sciences
25 center and shall be transferred each month to the university of

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1 New Mexico health sciences center.

2 ~~[E.]~~ F. Upon payment of all principal, interest and
3 other expenses or obligations related to the bonds, the New
4 Mexico finance authority shall certify to the secretary of
5 taxation and revenue that all obligations for the bonds issued
6 pursuant to this section have been fully discharged and shall
7 direct the secretary of taxation and revenue and the state
8 treasurer to cease distributing cigarette tax proceeds to the
9 authority pursuant to Subsection E of Section 7-1-6.11 NMSA
10 1978 and to distribute those cigarette tax proceeds to the
11 general fund.

12 ~~[F.]~~ G. Any law authorizing the imposition,
13 collection or distribution of the cigarette tax or that affects
14 the cigarette tax shall not be amended, repealed or otherwise
15 directly or indirectly modified so as to impair any outstanding
16 revenue bonds that may be secured by a pledge of those
17 cigarette tax revenues, unless the revenue bonds have been
18 discharged in full or provisions have been made for a full
19 discharge.

20 ~~[G.]~~ H. The New Mexico finance authority may
21 additionally secure the revenue bonds issued pursuant to this
22 section by a pledge of money in the public project revolving
23 fund with a lien priority on the money in the public project
24 revolving fund as determined by the authority.

25 I. Bonds shall not be issued pursuant to Subsection

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1 B of this section and the distribution pursuant to Subsection D
2 of Section 7-1-6.11 NMSA 1978 shall not be pledged for the debt
3 service and related expenses on bonds issued pursuant to the
4 provisions of this section if the issuance of the bonds and the
5 pledge of the distribution would impair any outstanding bonds
6 of the New Mexico finance authority."

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